



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture



MARCH 15, 1999

Russia Receives U.S. Aid Shipment. Following months of delay, the first shipment of U.S. aid arrived last week at the Russian port of St. Petersburg. The shipment was the first of a \$1 billion food aid package initially intended to assist Russia's needy during the cold winter months. The shipment delay was partly due to U.S. concerns over alleged corruption associated with U.S. donations to Russia during the early 1990's. Representative Marcy Kaptur (D-Ohio) wants the U.S. to pay particular attention to ensuring that the agricultural aid benefits those most in need. "Sending more than a billion dollars worth of aid to Russia with little incentive to prevent stealing and graft is an open invitation to having our pockets picked," said Kaptur. However, James Collins, U.S. Ambassador to Russia, allayed any fears of possible corruption, stating that "We have worked very hard to create a program that will, in our judgement, reach the people intended to be provided for." Instead of helping Russia during its harsh winter, as had originally been intended, the focus of the aid is now to stabilize the market and to decrease the cost of food in Russia, according to U.S. officials. Not everyone shares this viewpoint, however, least of all, some Russians. In a recent *Wall Street Journal* report, Leonid Kholod, former deputy agriculture minister, stated this type of assistance is not needed by Russia. "It distorts the market, hurts domestic producers, and will in no way benefit the poorest layers of the population," he said. Much of the problem, the report continues, is due to an ineffective distribution system and the inability of many Russian consumers to pay their bills. The European Union (EU) is also expected to begin shipments of food donations worth \$500 million, with the first arriving from Germany on March 24. (*Reuters* 3/12, *Wall Street Journal* 3/16)

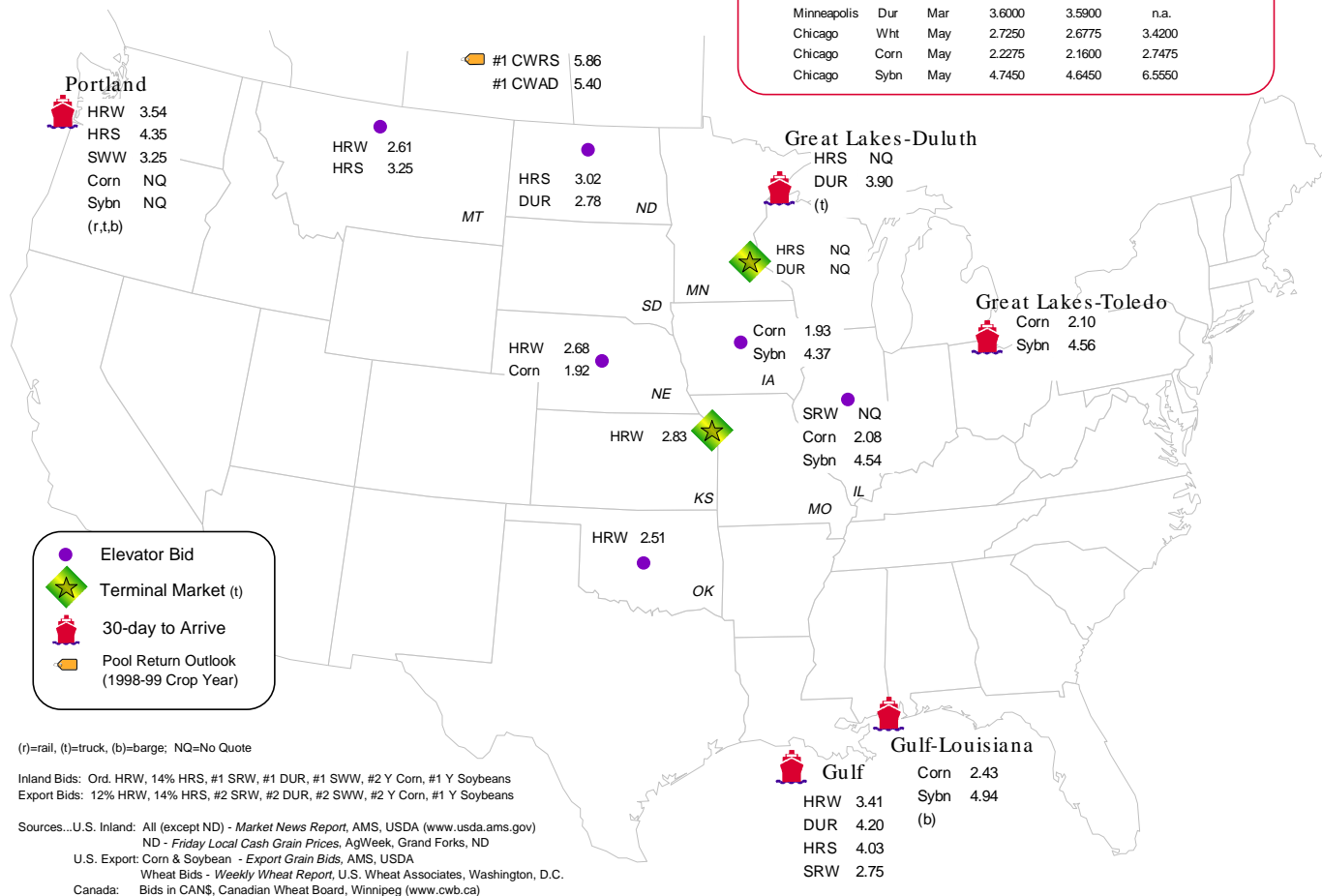
Canadian Wheat Board Proposes Transportation Plan. Following the recommendations of retired Supreme Court Justice, Willard Estey, for improving Canada's grain handling and transportation system, the Canadian Wheat Board (CWB) has offered its response, which, it states, would help many of the recommendations to be implemented. Judge Estey's report, in part, suggested that the CWB have less of a role in transportation and handling, as well as allowing railroads the opportunity to significantly restructure their networks. In seeking an effective, low-cost transportation and handling system to benefit both farmers and customers, the CWB makes several proposals. It believes that competition in the transportation and grain handling sectors is essential if it results in the highest returns to producers, but it favors regulation if competition is ineffective in certain instances. The Board also recommends increasing accountability by promoting a commercial operating environment. Among the several additional recommendations, the CWB proposes that railroads should operate on a "cost-based, distance-related freight rate structure." Ian McCreary, CWB director, said that meetings are planned with farm groups on March 30 and on April 9 with industry representatives. Both meetings will be held in Winnipeg, Manitoba, Canada. (*Bridge News* 3/9)

Sanctions Evaluated. An increasing number of farmers, business groups, and lawmakers are evaluating the effectiveness and implications of economic sanctions. The various groups are concerned that sanctions, implemented for any number of reasons, do the greatest harm to the domestic economy, adversely affecting agriculture trade. In a 1998 report, the International Trade Commission (ITC) stated that sanctions cost the U.S. economy between \$5 billion and \$20 billion annually. The report also states that the U.S. has currently imposed unilateral sanctions against approximately 29 countries, such as Cuba, Iran, North Korea and Libya. Leading a group of Northwest senators and representatives, Representative George Nethercutt (R-Wash.) asks, "Why should our farmers bear the brunt of our foreign policy that uses food as a weapon?" Nethercutt, along with the other politicians from Washington State and Oregon have introduced a bill that would exempt food and medicine from sanctions against any country, as well as imposing a 2-year limit on sanctions. Congress would be given the authority to renew the sanctions, if necessary. The proposal would also allow the president to waive sanctions in the interest of national security. (*AP* 3/13)

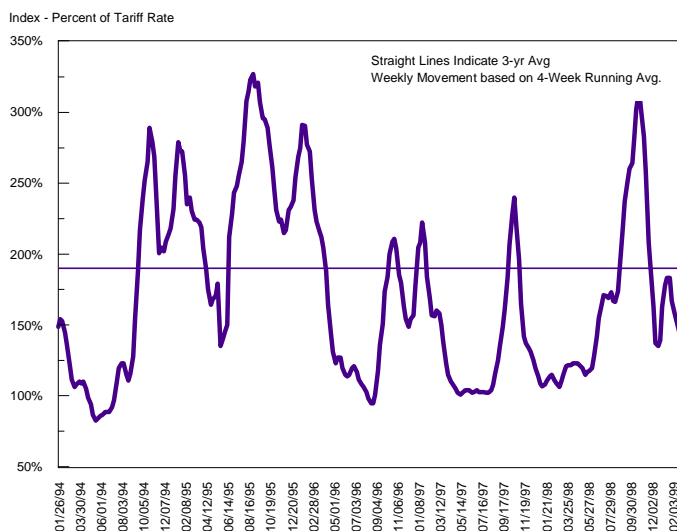
This report is prepared by Karl Hacker and Karla Martin, Agricultural Economists, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Report design by Kimberly Vachal, Upper Great Plains Transportation Institute, North Dakota State University. You can retrieve this document from our Automatic Fax System by using the handset on your fax machine and dialing (202) 690-1707. This report can be found on the Internet at www.ams.usda.gov/tmd/grain.htm. E-mail comments to Nick_Marathon@USDA.gov.

The United States Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation and marital or family status. (Not all prohibited bases apply to all programs). Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact the USDA's TARGET Center at (202)720-2600. To file a complaint, write USDA, Director of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC, 20250-9419, or call (202) 720-5964 (voice TDD). USDA is an equal opportunity provider and employer.

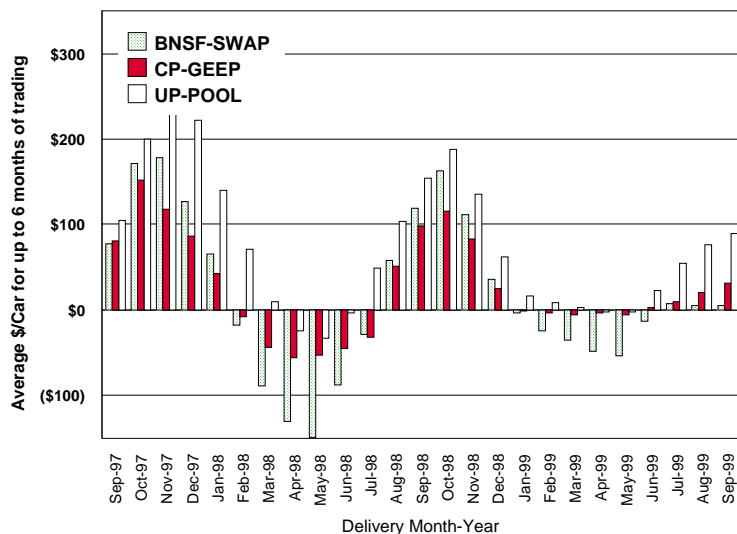
Grain Bid Summary



Spot Barge Rate - Illinois River



Secondary Rail Market Bids



See the Grain Trax page at www.ugpti.org for more graphs of rail premiums.

Rail Car 'Auction' Offerings				
Delivery for:	Apr-99		May-99	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
BNSF-COT	5,764	13%	5,400	6%
UP-GCAS	5,400	2%	5,400	3%
Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com				

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	Apr-99	May-99	Jun-99	Jul-99
BNSF-GF	\$0	\$(68)	\$(34)	\$(4)
CP-GEEP	\$(23)	\$(22)	\$(8)	\$14
UP-Pool	\$0	\$(5)	\$5	\$25

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;

GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Apr-99	May-99	Jun-99
COT/N. Grain	no offer	no offer	no offer
COT/S. Grain	no offer	no offer	no offer
GCAS/Region 2	no bid	no bid	no bid
GCAS/Region 4	no bid	no bid	no bid

Source: T&M/AMS/USDA. Data from www.bnsf.com, www.uprr.com,
(COT=Certificate of Transportation; GCAS=Grain Car Allocation System)**Southbound Barge Freight Nominal Values***

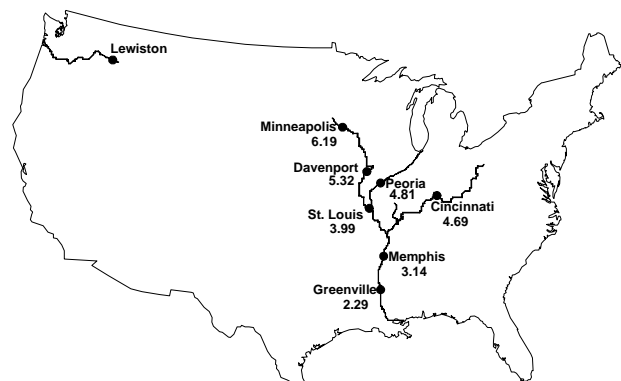
Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate
3/11/99	Illinois River	twk	132.5
	St. Louis	Sept.	160
		Jan.	105
	Mid Miss.	twk	145
		wks. 3/14-28	140

Summary Of Daily Barge Trades Reported To St. Louis Merchants Exchange.

twk=this week
nwkw=next week**Southbound Barge Freight Spot Rates**

	3/10/99	3/3/99	April '99	June '99
Twin Cities	nq	nq	174	169
Mid-Mississippi	145	155	139	138
Illinois River	134	140	130	128
St. Louis-Cairo	111	119	109	107
Lower Ohio	117	125	114	111
Cairo-Memphis	108	114	105	103

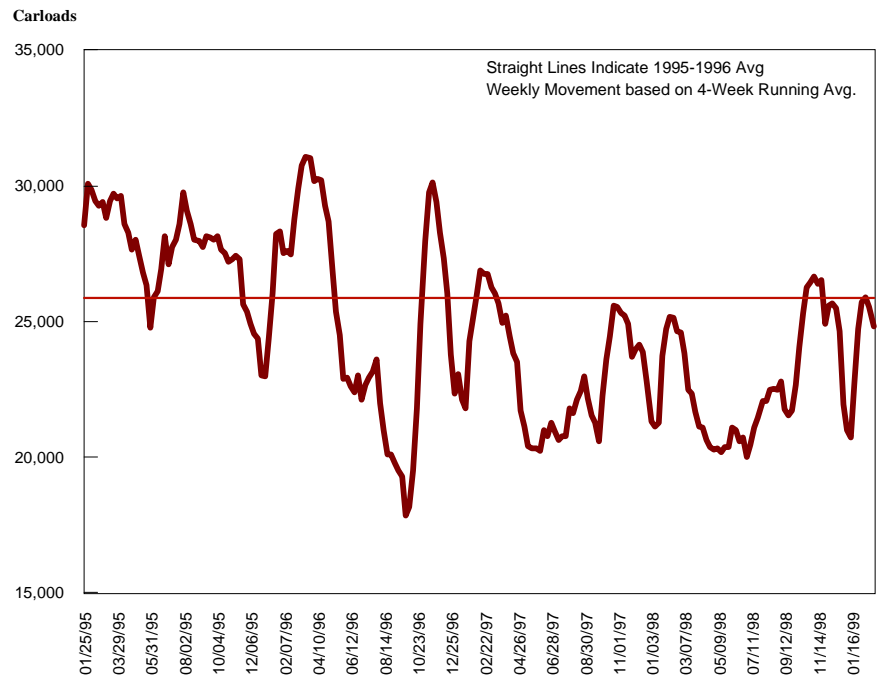
Source: Transportation & Marketing /AMS/USDA
nq- no quote**Barge Benchmark Tariff Rates
Est. 1976 - 'Tariff No. 7'**

Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
2/20/99	24,275
2/27/99	23,212
3/6/99	25,312
Year to Date - 1999	223,635
Year to Date - 1998**	220,801
Total 1998**	1,183,860
Total 1997*	1,199,995
Source: American Association of Railroads	

**1998 - 52 weeks

* 1997 - 53 weeks



Class I Rail Carrier Grain Car Bulletin

Carloads

			<u>East</u>		<u>West</u>		<u>Canada</u>	
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN CP
03/06/99	830	2,540	1,165	2,361	9,764	516	8,136	2,086 2,355
This Week Last Year	796	2,408	1,215	2,959	9,226	532	6,226	2,583 4,724
1999 YTD	7,018	23,735	13,246	23,919	77,711	6,412	71,594	17,448 26,309
1998 YTD*	7,288	23,134	11,648	23,894	84,894	6,501	63,442	25,257 38,422
1997 Total**	29,834	118,581	80,255	124,834	428,243	34,690	378,888	171,428 272,156
1996 Total	31,733	111,509	48,695	131,568	432,687	30,009	439,865	129,714 181,387

Source: American Association of Railroads

**1998 - 52 weeks

* 1997 - 53 weeks

Tariff Rail Rates for Unit Train Shipments

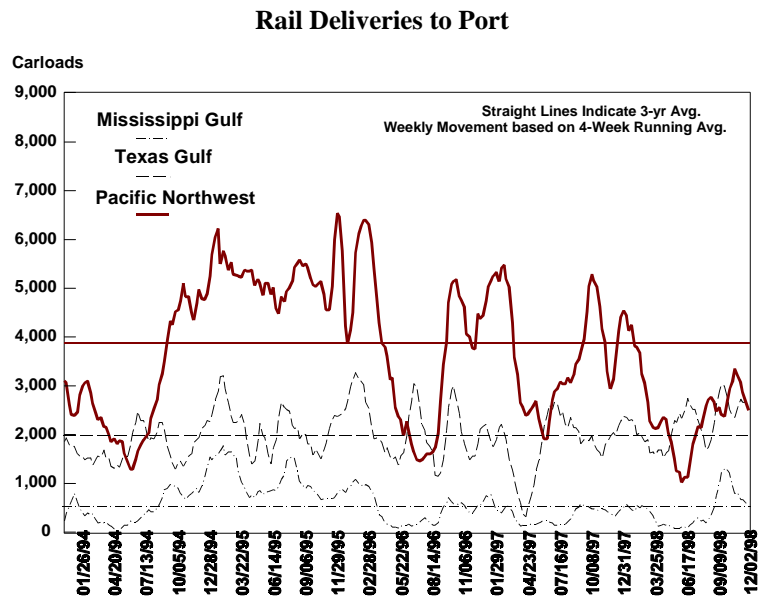
March 1999

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
03/01/99	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,150	\$19.51	\$0.65
03/01/99	43521	Wheat	Minneapolis, MN	Portland, OR	\$4,442	\$40.31	\$1.33
03/01/99	46540	Wheat	Kansas City, MO	Houston, TX	\$1,850	\$16.79	\$0.56
03/01/99	43586	Wheat	Kansas City, MO	Portland, OR	\$4,226	\$38.35	\$1.27
03/01/99	43581	Wheat	Omaha, NE	Portland, OR	\$4,205	\$38.16	\$1.26
03/01/99	31040	Corn	Minneapolis, MN	Portland, OR	\$2,865	\$22.87	\$0.80
03/01/99	31035	Corn	Kansas City, MO	Portland, OR	\$3,100	\$24.74	\$0.87
03/01/99	31040	Corn	Omaha, NE	Portland, OR	\$2,485	\$19.83	\$0.70
03/01/99	61180	Soybean	Minneapolis, MN	Portland, OR	\$3,330	\$30.22	\$1.00
03/01/99	61180	Soybean	Omaha, NE	Portland, OR	\$3,030	\$27.50	\$0.91
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

Source: www.bnsf.com

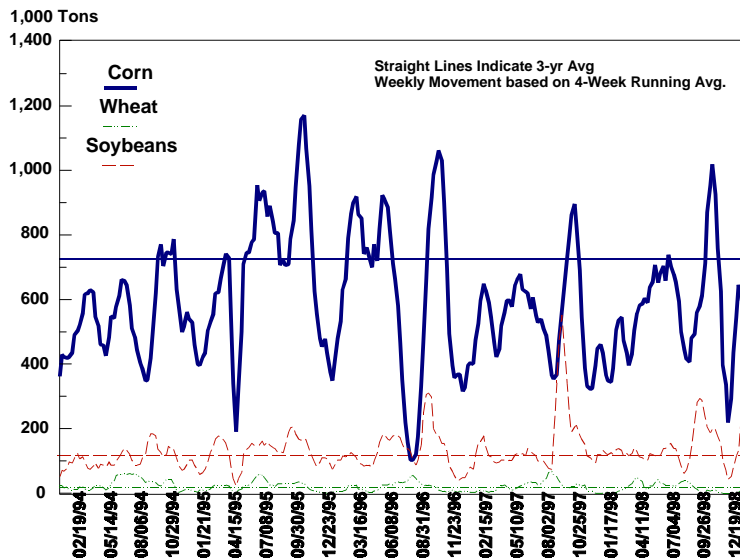
Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Rail Deliveries to Port				
Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
01/20/99	840	2,990	2,533	589
01/27/99	1,055	3,069	2,607	682
02/03/99	776	2,623	2,121	421
02/10/99	898	2,906	2,298	291
02/17/99	673	3,298	2,248	375
02/24/99	462	2,564	2,558	580
YTD 1999	5,910	22,709	19,259	3,320
YTD 1998	3,632	17,436	31,802	3,267
Total 1998	23,844	115,321	138,461	12,505
Total 1997	20,152	93,265	195,953	9,147
Source: Transportation & Marketing/AMS/USDA				



***Note:** Data prior to 12/30/98 has been revised. More recent data has been estimated. Complete and accurate revisions will appear in 3/22/99 report.

Barge Movements - Locks 27



Barge Grain Movements

for week ending 03/06/99

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	0	0	0	0
Winfield, MO (L25)	0	0	0	0
Alton, IL (L26)	313	0	78	391
Granite City, IL (L27)	326	2	82	410
Illinois River (L8)	264	0	71	335
Ohio (L52)	31	4	46	169
Arkansas (L1)	0	40	7	47
1999 YTD	3,863	167	1,475	6,411
1998 YTD	3,827	208	1,093	6,221
Total 1998	31,226	2,420	8,866	45,625
Total 1997	29,685	2,689	9,584	45,315

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.
Miss/25 closed for rehabilitation (12/15/98-3/2/99).
Source: U.S. Army Corp of Engineers

U.S. Export Balances* (1,000 Metric Tons)

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	<u>Wheat</u> <i>SWW</i>	<i>DUR</i>	<i>All</i>	<u>Corn</u>	<u>Soybean</u>	<u>Total</u>
<u>Unshipped Exports-Crop Year</u>									
03/04/99	1,542	743	837	728	278	4,128	8,247	3,037	15,412
This Week Year Ago	1,432	213	1,052	636	179	3,512	6,977	2,549	13,038
<u>Cumulative Exports-Crop Year</u>									
98/99 YTD	8,230	1,545	5,142	4,446	684	20,046	23,325	14,784	58,155
97/98 YTD	7,668	4,447	4,765	4,436	1,019	22,334	19,374	17,713	59,421
97/98 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
96/97 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942
95/96 Total									

Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
03/11/99	151	316	0	87	799	323	103	26	66
1999 YTD	2,053	1,477	61	1,021	6,661	3,794	1,486	100	565
1998 YTD *	1,810	1,575	232	1,386	5,244	4,799	1,214	11	419
% of Last Year	19%	34%	9%	20%	21%	25%	20%	18%	41%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

Source: Federal Grain Inspection Service * YTD-Year-to-Date ('98 = 53 week period)

Select Canadian Ports - Export Inspections

1,000 Metric Tons, Crop Year

	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 03/11/99			
Vancouver	2,688	579	248
Prince Rupert	310	9	0
Prairie Direct	527	285	139
Thunder Bay	295	93	144
St. Lawrence	1,160	1,075	0
1999 YTD Exports	6,138	2,049	531
1998 YTD Exports	10,903	2,503	1,478
% of Last Year	56%	82%	36%

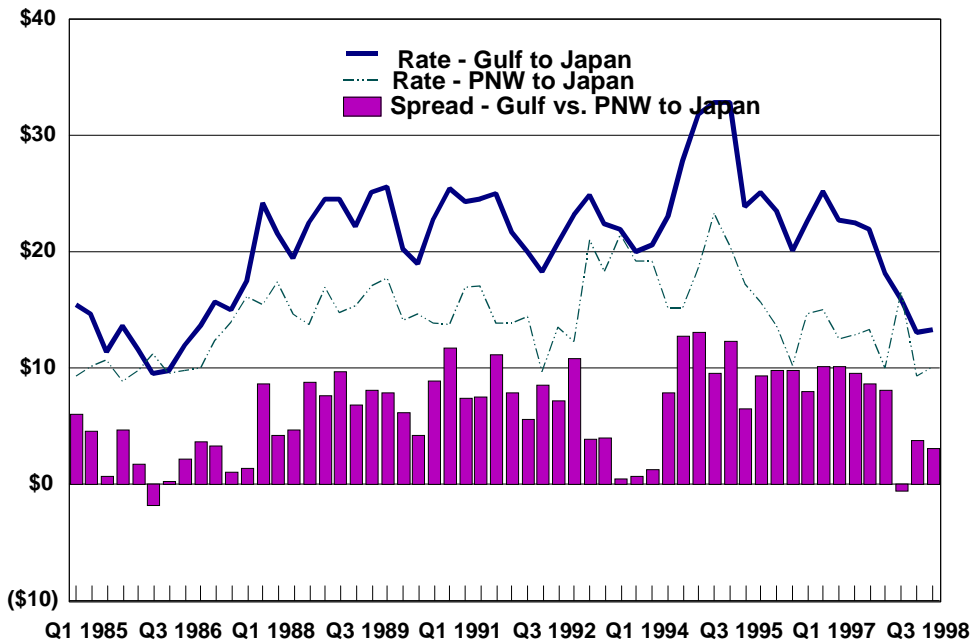
Source: Canadian Grains Commission *Year Ago-This Week a Year Ago **
YTD-Year-to-Date Crop Year 8/1-7/31



Port Region Ocean Grain Vessels									
	Gulf			Pacific Northwest			Vancouver, B.C.		
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days
03/04/99	32	61	67	10			11	8	3
03/11/99	29	51	71	7			18	9	3
1998 Range	(19..62)	(34..64)	(40..93)						
1997 Range	(11..52)	(25..61)	(31..89)						
1998 Avg	40	48	61						
1997 Avg	33	45	58						
1996 Avg	38	46	62						

Source: Transportation & Marketing /AMS/ USDA

US\$/Metric Ton

**Quarterly Ocean Freight Rates**

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton - Basis

	1998 4 th Qtr	1997 4 th Qtr	% Change		1998 4 th Qtr	1997 4 th Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$13.33	\$22.01	-39%	Japan	\$10.17	\$13.34	-24%
Mexico	\$14.41	\$13.97	3%	Red Sea/ Arabian Sea		\$20.18	
Venezuela	\$10.87	\$13.59	-20%				
N. Europe	\$8.81	\$11.34	-22%	Argentina to			
N. Africa	\$15.26	\$14.80	3%	N. Europe	\$12.56	\$16.12	-22%
				Japan		\$23.23	

Source: Transportation & Marketing/AMS/USDA

Ocean Freight Rates (Select Locations) - week ending 03/13/99

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Gulf	Mexico	Heavy Grain	March	26,000	\$10.00
Gulf	Venezuela	Heavy Grain	March	17,500	\$17.15
Gulf	Ireland	Grains	March	22,000	\$15.00
Gulf	Colombia	Heavy Grain	March	20,000	\$18.25
Gulf	Japan	Heavy Grain	April/March	54,000	\$16.05-17.00
Gulf	China	Heavy Grain	March	55,000	\$17.25
Brazil	Lisbon/Hamburg	Grains	March	31,000	\$16.25
So. Brazil	Japan	Heavy Grain	March	35,000	\$24.00
River Plate	United Kingdom	Grains	Prompt	20,000	\$24.75
River Plate	Thailand	Grains	March	25,000	\$24.50

Source: Maritime Research Inc.